

Hands, Guy - 7/15/2010

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SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

-----X  
IN THE MATTER OF TERRA FIRMA INVESTMENTS  
(GP) LIMITED (for and on behalf of  
The six limited partnerships  
Constituting the Terra Firma  
Capital Partners II Fund), and  
TERRA FIRMA INVESTMENTS (GP) 3  
LIMITED (for and on behalf of  
Terra Firma Capital Partners  
III, L.P.),

Plaintiffs,

vs.

Index No.  
60373/2009

CITIGROUP INC., CITIBANK  
N.A., CITIGROUP GLOBAL MARKETS  
LIMITED and CITIGROUP GLOBAL  
MARKETS, INC.,

Defendants.

-----X

July 15, 2010  
9:07 a.m.

Videotaped Deposition of GUY HANDS, taken  
by Defendants, pursuant to Notice, at the offices  
of Paul, Weiss, Rifkind, Wharton & Garrison LLP,  
1285 Avenue of the Americas, New York, New York,  
before TAMMEY M. PASTOR, a Registered  
Professional Reporter, Certified LiveNote  
Reporter and Notary Public within and for the  
State of New York.

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GUY HANDS

09:32:51 2 recall in connection with due diligence with  
09:32:53 3 regard to EMI?

09:32:54 4 MR. SHERMAN: Objection to the form  
09:32:56 5 of the question. It's vague.

09:33:01 6 A. I would have spoken to my team --  
09:33:05 7 my team, I would have spoken to the team on  
09:33:07 8 EMI. Beside that as I sit here today, those  
09:33:12 9 are the things I can remember.

09:33:13 10 Q. Did you take any notes in the  
09:33:14 11 course of the due diligence work that you did  
09:33:16 12 in connection with EMI?

09:33:18 13 MR. SHERMAN: Of any kind, any  
09:33:19 14 notes?

09:33:21 15 MR. BAUGHMAN: Mr. Sherman, if you  
09:33:23 16 have an objection to form, you can note  
09:33:25 17 it. Please no speaking objections.

09:33:28 18 MR. SHERMAN: Objection to the  
09:33:28 19 form. I don't know what you mean.

09:33:30 20 A. I can't remember taking any  
09:33:32 21 notes, no.

09:33:39 22 Q. Were you confused by the word  
09:33:41 23 notes? Were you able to answer the question?

09:33:42 24 A. Yes.

09:33:43 25 MR. SHERMAN: That wasn't the basis

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GUY HANDS

09:33:44 2 of my objection.

09:33:50 3 Q. When did you, Guy Hands, first

09:33:53 4 consider buying EMI?

09:33:58 5 A. The original time as I can

09:34:03 6 remember we first considered EMI in sort of the

09:34:06 7 vaguest of possibilities was 1995, I think.

09:34:10 8 MR. SHERMAN: Note my objection to

09:34:11 9 form.

09:34:14 10 Q. At that time Terra Firma didn't

09:34:16 11 exist; right?

09:34:16 12 A. No.

09:34:17 13 Q. Okay. That was when you were at

09:34:19 14 Nomura?

09:34:20 15 A. It was the predecessor to Terra

09:34:22 16 Firma.

09:34:22 17 Q. When is the first time that a

09:34:24 18 Terra Firma entity did substantive work in

09:34:27 19 connection with a possible transaction

09:34:29 20 involving EMI, to your recollection?

09:34:32 21 MR. SHERMAN: Objection, you can

09:34:33 22 answer.

09:34:33 23 A. I can't remember.

09:34:35 24 Q. Well, do you recall that in

09:34:38 25 December 2006 Terra Firma considered making a

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1 GUY HANDS

09:34:43 2 possible bid for EMI?

09:34:44 3 A. Yes, I remember that.

09:34:46 4 Q. And was that the first time that  
09:34:49 5 Terra Firma had been working in connection with  
09:34:52 6 a possible transaction involving EMI?

09:34:53 7 MR. SHERMAN: Objection.

09:35:02 8 A. I can't remember.

09:35:03 9 Q. Can you remember anything that  
09:35:04 10 Terra Firma did in connection with EMI prior to  
09:35:07 11 November 2006, anything at all?

09:35:12 12 A. I have a vague -- I can't give  
09:35:18 13 you any specifics. But I am pretty sure we  
09:35:20 14 looked at it before that.

09:35:24 15 Q. In November 2006 did Terra Firma  
09:35:26 16 hire any advisors to assist it in connection  
09:35:30 17 with the possible bid for EMI?

09:35:33 18 A. I can't remember.

09:35:34 19 Q. Do you recall at some point Terra  
09:35:37 20 Firma retained the firm of Dresdner Kleinwort?

09:35:43 21 MR. SHERMAN: Objection.

09:35:49 22 A. I remember them in connection  
09:35:50 23 with EMI.

09:35:52 24 Q. Who were the people at Dresdner  
09:35:55 25 that you interacted with if any?

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GUY HANDS

09:35:59

2

MR. SHERMAN: Objection.

09:35:59

3

A. I can't remember interacting with

09:36:01

4

anyone at Dresdner.

09:36:03

5

Q. Do you recall a man named Bruce

09:36:06

6

MacInnes?

09:36:07

7

A. I have heard his name.

09:36:09

8

Q. Have you ever met him?

09:36:13

9

A. I don't know.

09:36:13

10

Q. Can you ever recall speaking to

09:36:15

11

Mr. MacInnes?

09:36:17

12

A. I don't know.

09:36:21

13

Q. In November 2006 to your

09:36:26

14

knowledge or memory why did Terra Firma decide

09:36:28

15

to approach EMI?

09:36:30

16

MR. SHERMAN: Objection,

09:36:31

17

foundation.

09:36:36

18

A. As I sit here today my memory is

09:36:38

19

I got a call from David Wormsley.

09:36:41

20

Q. Prior to Mr. Wormsley calling you

09:36:43

21

there had been no work done by Terra Firma; is

09:36:45

22

that your testimony?

09:36:45

23

MR. SHERMAN: Objection,

09:36:46

24

mischaracterizes his testimony.

09:36:47

25

A. No. That's not my testimony.

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1 GUY HANDS

13:00:16 2 Punja's presentation?

13:00:17 3 A. I have no memory at all.

13:00:20 4 Q. Do you have any basis to say what  
13:00:21 5 is written in paragraph 6.2 is false?

13:00:24 6 MR. SHERMAN: Objection.

13:00:26 7 A. No.

13:00:26 8 Q. Do you have any reason to dispute  
13:00:28 9 Mr. Punja reported in detail?

13:00:32 10 A. No.

13:00:33 11 Q. Do you have any memory of any  
13:00:34 12 discussion concerning a price of 2.65 pounds at  
13:00:39 13 the GP meeting on May 18?

13:00:41 14 A. Aside what's on this bit of  
13:00:44 15 paper, no.

13:00:44 16 Q. I asked you specifically about  
13:00:49 17 the meeting for GP 3. If I ask you about the  
13:00:53 18 meeting for GP 2 would you be able to tell me  
13:00:56 19 anything about that meeting?

13:00:57 20 MR. SHERMAN: Objection.

13:00:59 21 A. I have no independent memory as I  
13:01:02 22 sit here today of GP 2 either.

13:01:07 23 Q. We noted at the beginning it said  
13:01:09 24 that the, at least according to this document,  
13:01:12 25 the meeting began at 8:30 a.m. Do you have any

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1 GUY HANDS

13:01:15 2 idea how long it lasted?

13:01:18 3 A. No.

13:01:18 4 Q. Let me ask you now to turn to the  
13:01:26 5 Complaint which is Exhibit 1 to your deposition  
13:01:35 6 I would like to ask you do turn to paragraph  
13:01:37 7 128. Read paragraph 128 to yourself and tell  
13:01:51 8 men when you're done.

13:02:05 9 A. I'm done.

13:02:06 10 Q. First sentence reads "During one  
13:02:09 11 such conversation on the evening of May 18,  
13:02:11 12 2007, Mr. Wormsley hold Mr. Hands that EMI was  
13:02:15 13 accelerating the bidding deadline and that  
13:02:18 14 another bidder supported EMI's decision to do  
13:02:21 15 so."

13:02:22 16 Is that testimony -- is that  
13:02:23 17 sentence true?

13:02:24 18 A. It's true that Mr. Wormsley told  
13:02:28 19 me that EMI was accelerating the bidding  
13:02:32 20 deadline and that another bidder supported  
13:02:34 21 EMI's decision to do so.

13:02:36 22 As I sit here today I think the  
13:02:44 23 conversation was earlier in the day.

13:02:46 24 Q. Okay. Did you believe that  
13:02:49 25 conversation took place before the IAC meeting

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13:02:51 2 at eight o'clock in the morning?

13:02:55 3 A. I don't believe it took place  
13:02:56 4 before eight o'clock, no.

13:02:57 5 Q. Do you believe it took place  
13:02:59 6 before the GP meeting at 8:30 in the morning?

13:03:02 7 A. I don't know exactly when it took  
13:03:04 8 place.

13:03:05 9 Q. Do you have any basis to testify  
13:03:07 10 that the conversation with Mr. Wormsley  
13:03:09 11 occurred prior to the GP meeting?

13:03:13 12 A. I don't remember when it  
13:03:17 13 occurred. I believe it occurred earlier in the  
13:03:19 14 day than the evening.

13:03:20 15 Q. But after the GP meeting; right?

13:03:22 16 MR. SHERMAN: Objection.

13:03:24 17 A. Not necessarily.

13:03:25 18 Q. I need to press you, do you have  
13:03:26 19 any basis to testify that the conversation with  
13:03:29 20 Mr. Wormsley occurred before the GP meeting?

13:03:34 21 A. I know it occurred earlier than  
13:03:36 22 the evening, but I cannot think of exactly when  
13:03:40 23 it occurred during the day.

13:03:41 24 Q. Where were you when this  
13:03:43 25 conversation took place?



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13:03:43 2 A. I believe it was in Guernsey.

13:03:48 3 Q. Were you in an office?

13:03:54 4 A. I don't believe I was in an  
13:03:55 5 office, no.

13:03:56 6 Q. Where were you?

13:03:56 7 A. My memory as I sit here today it  
13:04:06 8 occurred in the garden area in that building.

13:04:12 9 Q. Of the building in Saint Peter's  
13:04:15 10 Port, the Old Government House?

13:04:16 11 A. Yes.

13:04:17 12 Q. Were you on your mobile?

13:04:19 13 A. I think so.

13:04:26 14 Q. If you are in the garden it is  
13:04:28 15 unlikely you were on a land line; right?

13:04:31 16 MR. SHERMAN: Objection.

13:04:32 17 A. I would agree it is unlikely,  
13:04:34 18 quite frankly. Yeah.

13:04:35 19 Q. How long did this conversation  
13:04:37 20 last?

13:04:37 21 A. I can't remember.

13:04:42 22 Q. Was it a long conversation or a  
13:04:45 23 short conversation?

13:04:46 24 MR. SHERMAN: Objection.

13:04:48 25 A. I would say it is a medium